



Office of the People's Counsel District of Columbia



1133 15th Street, NW • Suite 500 • Washington, DC 20005-2710
202 727.3071 • FAX 202.727.1014 • TTY/TDD 202 727.2876

Elizabeth A. Noël
People's Counsel

June 28, 2002

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JAN - 9 2003

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Sanford M. Speight
Acting Secretary
Public Service Commission
of the District of Columbia
1333 H Street, N.W.
Second Floor, West Tower
Washington, D.C. 20005

Re: Formal Case No. 1011

Dear Mr. Speight:

Enclosed for filing is an original and fifteen (15) copies of "Comments of the Office of the People's Counsel Pursuant to Commission Order No. **12426**", in the above proceeding.

If you have any questions regarding this matter, please call the undersigned at 202-727-3071.

Sincerely,

Joy M. Ragsdale
Assistant People's Counsel

Enclosure

cc All Parties of Record

BEFORE THE
PUBLIC SERVICE COMMISSION
OF THE DISTRICT OF COLUMBIA

IN THE MATTER OF THE)

VERIZON WASHINGTON DC, INC.'S)
COMPLIANCE WITH THE CONDITIONS)
ESTABLISHED IN SECTION 271 OF THE)
FEDERAL TELECOMMUNICATIONS ACT)
OF 1996)

Formal Case No. 1011

COMMENTS OF THE OFFICE OF THE PEOPLE'S COUNSEL
PURSUANT TO COMMISSION ORDER NO. 12426

I. INTRODUCTION

The Office of the People's Counsel of the District of Columbia ("OPC" or "Office"), in furtherance of its mandate as the statutory representative of District of Columbia ratepayers in utility proceedings,¹ hereby respectfully submits its Comments on Verizon Washington DC, Inc.'s ("Verizon DC" or the "Company") Petition for Adoption of a Procedural Schedule to Consider Verizon DC's Compliance with the Conditions Established in Section 271 of the Federal Telecommunications Act of 1996 ("Petition") in response to the Public Service Commission's ("PSC" or "Commission") Order No. No. 12426 issued June 18, 2001.

II. DISCUSSION

A. Puroose of Proceeding.

OPC commends the PSC for granting all interested parties the opportunity to file comments in this very important matter that will set the framework for the future of the District's telecommunications market. Verizon DC is incorrect in asserting that the purpose of this

¹ D.C. CODE ANN. § 43-406(d) (2001).

proceeding is merely a "fact-gathering process" as opposed to an "adjudicatory proceeding" to facilitate the Commission's response to the Federal Communications Commission's ("FCC") in accordance with the federal Telecommunications Act of 1996 ("federal Act").'

OPC asserts the objective of this process is to determine whether Verizon DC has met its statutory obligations under the federal Act to facilitate effective competition in the local exchange telecommunications market prior to obtaining authorization to provide long-distance service in the District of Columbia. While the federal Act does not prescribe the type of proceeding for a state commission's review of an incumbent's section 271 application, several states have recognized that this is a very technical and complex process. These states have, as a result, convened adjudicatory and/or collaborative-type proceedings to review the incumbent's compliance with the federal Act.⁴ In short, the PSC is not foreclosed from convening an adjudicatory proceeding to review Verizon DC's compliance filing. OPC encourages the PSC to use its authority to conduct an extensive investigation into the Company's compliance with the federal Act and section 271 checklist requirements.

B. The FCC Has Applauded States That Have Allowed All Interested Parties the Opportunity to Participate in the Section 271 Application Review Process.

The FCC commended the **Texas** Commission for ensuring its section 271 review of SBC and Southwestern Bell's application was open to participation by all interested parties, as well as

⁴ Verizon DC Petition, at 3 (June 14, 2002)

For example, Nevada and Tennessee held adjudicatory proceedings. Collaborative proceedings were held in Ohio and New Hampshire. A combination of a collaborative and adjudicatory-type proceedings were held in Washington, Missouri, and Pennsylvania. Some proceedings reviewed the carrier's filing under the public interest standard. Information obtained from discussions held with various NASUCA Telecommunications Committee members (Aug. 24, 2001).

supplementing its review process with an independent third party test.' Furthermore, the FCC applauded the Texas Commission's adoption of "clearly defined performance measurements and standards, as well as its adoption of a performance remedy plan to discourage backsliding.'" In similar fashion with other states, OPC urges the Commission to adopt and implement a performance remedy plan prior to reviewing and approving Verizon DC's section 271 application.

C. Verizon DC's Petition to Commence the Section 271 Application Review Process is Premature and Should Be Rejected by the Commission.

OPC notes that there are numerous complex and unresolved issues involved in Verizon DC's Section 271 Compliance filing. Much of the data upon which the Commission must base its decision must be extrapolated from other telecommunication proceedings currently open before the Commission

- First, the Commission nor OPC have had ample time to consider the cost studies nor testimony presented during the June evidentiary hearings in order to establish reasonable and competitive unbundled network element rates ("UNEs") or an equitable wholesale discount rate in Formal Case No. 967.
- Second, a performance assurance plan has not been adopted nor implemented in the quality of service proceeding. Formal Case No. 990. Carrier-to-consumer performance metrics have not yet been reviewed nor established in the second phase of Formal Case No. 990.
- Third, the operation support system ("OSS") proceeding. Formal Case No. 993, has been virtually inactive since February 2001, thus the Commission has not yet determined whether OSS testing is required in the District of Columbia.

⁴ In re Application by SBC Communications, Inc., et al Pursuant to Section 271 of the Telecommunications Act of 1996 to Provide In-Region, InterLATA Services in Texas, FCC Docket No. 00-238, ¶ 3 (June 30, 2000)

⁵ *Id.*

D. Verizon DC's Proposed Schedule Does Not Allow the Commission Nor the Parties Sufficient Time to Review Supporting Data and Conflicts with Formal Case No. 1006.

Verizon DC's proposed truncated schedule does not provide the Commission nor interested parties ample time to review the Company's compliance filing that involves numerous telecommunications issues. Moreover, Verizon DC's proposed date for the PSC procedural conference -- July 17, 2002, conflicts with the Commission's formal hearings scheduled in Formal Case No. 1006.⁶

The Office submits that Verizon DC's proposal to begin the section 271 review process is in effect "placing the cart before the horse" and should **not** be considered until the Commission resolves and concludes the telecommunications issues discussed above. Residential consumers are still awaiting the promised benefits of competition in the local exchange market -- meaningful customer choice, lower and competitive rates, and a consistent high level of quality telephone service. Until ratepayers in the District of Columbia have reaped the benefits of effective competition in the telecommunications local exchange market, Verizon DC should not be permitted to commence the section 271 compliance review period.

E. OPC Submits An Alternative Schedule That is Reasonable and Permits Parties Sufficient Time to Properly Review and Analyze Verizon DC's Compliance Filing.

In the alternative, should the PSC determine that resolving the issues in the above proceedings is not a prerequisite or necessary prior to Verizon DC's compliance filing, OPC is submitting an alternative schedule for the Commission's consideration. OPC's submission of an alternative schedule is predicated upon, **at a minimal**, the Commission issuing a final decision in Formal Case No. 962, implementing a performance remedy plan in Formal Case No. 990, and

⁶ See, Comcast Cablevision of the District, LLC v. Verizon Washington, DC, Inc., Formal Case No. 1006, Commission Order No. 12408, at 4 (May 23, 2002).

commencing District-specific *OSS* testing in Formal Case No. 993, if required. The Company's internal business plans or corporate strategy should not be the Commission's guiding force in setting a timeline necessary to review the Company's section 271 compliance filing.

OPC is submitting a schedule that it believes will provide the Commission sufficient time to issue a final decision in the cases discussed above. Additionally, interested parties will have sufficient time to review and analyze Verizon DC's section 271 compliance filing. The Office proposes the following procedural schedule for the Commission's consideration of Verizon DC's section 271 compliance filing:

August 28, 2002	Verizon DC files 271 compliance filing and supporting data with the Commission
September 3, 2002	Commission convenes procedural conference
September 9, 2002	Interested parties to issue discovery to Verizon DC
September 30, 2002	Deadline for Verizon DC's responses to discovery requests issued on August 26, 2002 ⁷
October 7, 2002	Interested parties file affidavits
October 14, 2002	Verizon DC issues discovery to interested parties
October 29, 2002	Deadline for responses to discovery requests served by Verizon DC on October 7, 2002 ⁷
November 8, 2002	Verizon files reply declarations to affidavits filed on September 27, 2002
November 18-20, 2002	Commission conduct hearings
December 6, 2002	Parties file initial post-hearing comments
December 20, 2002	Parties file reply post-hearing comments
January 7, 2003	End of Commission review

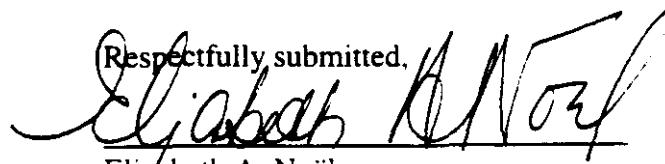
⁷ Rule 122.2 of the Commission Rules of Practice and Procedure grants parties other than a utility company 15 days in which to respond to an information request. 15 D.C.M.R. § 122.2 (2001).

This schedule is a reasonable estimate of time for interested parties to and the Commission to review Verizon DC's section 271 compliance filing and supporting data. OPC respectfully requests the PSC to set a procedural schedule that will ensure interested parties have ample time to prepare for and analyze Verizon DC's compliance filing and supporting data.

III. CONCLUSION

For the foregoing reasons, the Office respectfully requests that the Commission adopt the proposed procedural schedule submitted herein in accordance with OPC's recommendations

Respectfully submitted,



Elizabeth A. Noël
People's Counsel
D.C. Bar No. **288965**

Sandra Mattavous - Frye
Deputy People's Counsel
D.C. Bar No. **375833**

Barbara L. Burton
Assistant People's Counsel
D.C. Bar No. **430524**

Brenda K. Pennington
Assistant People's Counsel
D.C. Bar Application Pending

Joy M. Ragsdale
Assistant People's Counsel
D.C. Bar No. **472458**

Office of the People's Counsel
of the District of Columbia
I133 15th Street, N.W., Suite 500
Washington, D.C. **20005-2710**
(202) 727-3071

Dated June 28, 2002

CERTIFICATE OF SERVICE

Formal Case No. 1011

I hereby certify that on this 28th day of June 2002, copies of "Comments of the Office of the People's Counsel Pursuant to Commission Order No. 12426" was served on the following parties of record by hand-delivery (*) or first class mail, postage prepaid on the following individuals:

The Office of the General Counsel (*)
Public Service Commission
of the District of Columbia
1333 H Street, N.W.
7th Floor, East Tower
Washington, D.C. 20005

Michael A. McRae
AT&T of Washington DC, Inc.
3033 Chain Bridge Rd.
Room 3D
Oakton, VA 22185

Robin Cohn, Esq.
Swidler & Berlin
3000 K Street, N.W., Suite 300
Washington, D.C. 20007-3851

Craig D. Dingwall
Sprint Communications Co
400 9th Street, N.W.
Suite 400
Washington, D.C. 20004

Mitchell F. Brecher, Esq.
Greenberg & Traurig, LLP
800 Connecticut Avenue, NW
Washington, D.C. 20036

Michael Ettner, Esq.
General Services Admin.
18th & F Streets, N.W.
Room 4001-LP
Washington, D.C. 20545

Leslie Nelson, Esq.
Office of the Corp Counsel
441 4th Street, N.W., #6N67
Washington, D.C. 20001

Cynthia A. Coe
Attorney at Law (for AT&T)
5406 Kirkwood Drive
Bethesda, MD 20816

David Hill, Esq.
Vice President and General Counsel
Verizon-Washington, D.C., Inc.
1710 H Street, N.W., 11th Floor
Washington, D.C. 20006-4601

J. Henry Ambrose
Vice President, Regulatory Matters
Verizon-Washington, D.C., Inc.
1710 H Street, N.W., 11th Floor
Washington, D.C. 20006-4601

Natalie Ludaway, Esq.
Leftwich & Douglas, P.L.L.C.
1401 New York Avenue, N.W.
Suite 600
Washington, D.C. 20005

Chana Wilkerson, Esq.
Law and Public Policy
Worldcom, Inc.
1133 19th Street, N.W.
Washington, D.C. 20036

Christopher T. McKee
Net2000
2180 Fox Mill Road
Herndon, VA 20171

David M. Janas
Lisa N. Anderson
Christopher R. Bjomson
Minrz. Levin, Cohn, Ferris, **Glovsky** and
Popeo, P.C.
701 Pennsylvania Ave., N.W.
Washington, DC 20004


Angela Lee, Director of Gov't. Affairs
AT&T
1120 20th Street, NW
Washington, DC 20036

Rob Woodson, **Esq.**
Holland & Knight, LLP
(for SBC National)
2 100 Pennsylvania Avenue, NW Suite 400
Washington, D.C. 20037-3202

Andrew M. Klein
John S. Ramsey
Kelley Drye & Warren LLP
(for Winstar Communications)
1200 19th Street, NW, Suite 500
Washington, DC 20036

Edward Donahue
Cole Raywid & Braverman, LLP
(for XO DC, Inc.)
1919 Pennsylvania Ave., NW
Suite 200
Washington, DC 20006-3458

Esther Bushman, **Esq.**
Committee Clerk
D.C. Council Committee on Consumer
Regulatory Affairs
441 4th Street, NW, Rm. 710
Washington, DC 20001


Joy M. Ragsdale
Assistant People's Counsel
Office of the People's **Counsel**
of the District of Columbia

Before the

**PUBLIC SERVICE COMMISSION
OF THE DISTRICT OF COLUMBIA**

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**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY**

In the Matter of Verizon Washington,)
D.C., Inc.'s Compliance With the)
Conditions Established in Section 271)
of the Federal Telecommunications Act)
of 1996)

Formal Case No. 1011

**Affidavit and Exhibits of
the Office of the People's Counsel
of the District of Columbia
(Public Version)
Volume I of 1**

**DR. LEE L. SELWYN
SCOTT C. LUNDQUIST**

**EXHIBIT OPC (A)
EXHIBIT OPC (B)**

**Office of the People's Counsel
of the District of Columbia
1133 Fifteenth Street, N.W.
Suite 500
Washington, D.C. 20005
(202) 727-3071**

September 30, 2002

INFORMATION ALLEGED TO BE
PROPRIETARY BY VERIZON DC HAS BEEN
REDACTED FROM THIS DOCUMENT.

SUMMARY OF VERIZON DC'S 271 APPLICATION FOR THE BENEFIT OF THE DISTRICT OF COLUMBIA RATEPAYERS

There is nothing simple about this case, except that District of Columbia residents continue to require reliable, affordable, universally and equitably available high quality of service. *So*, the Office of the People's Counsel ("OPC") must keep its eyes on the prize if D. C. consumers are to fare well. In this proceeding, the Public Service Commission of the District of Columbia ("PSC") has the important task of determining and advising the Federal Communications Commission ("FCC") as to whether Verizon DC has met its statutory obligations under the *Telecommunications Act of 1996* ("Act") to facilitate effective competition in the District of Columbia local exchange telecommunications market prior to obtaining authorization to provide long-distance service to District of Columbia consumers.

This proceeding is significant because it will establish the new regulatory landscape for local and long distance telecommunications service in the District of Columbia for years. If the PSC **fails**, for whatever reasons, to properly and reasonably evaluate whether appropriate regulatory safeguards are in place prior to granting Verizon DC approval to provide long distance service in the region, District of Columbia consumers will be faced with having no *effective* choice for local telecommunications service. Such a result is antithetical to the purpose **of** the *Telecommunications Acts*, federal (or the District of Columbia). Therefore, District of Columbia consumers rely upon the PSC to get it right the first time in carrying out its mandate to protect the interests of consumers by assuring that the local telecommunications market is sufficiently open to allow competitors to effectively and rigorously operate in the District without being forced **out** of the market by Verizon DC, the *de facto* monopoly provider of local telecommunications Service.

While OPC is not philosophically opposed to Verizon's entry into the long-distance market, OPC is against prematurely allowing Verizon DC to enter the long distance market without the Commission sufficiently establishing consumer protection measures and structural separation safeguards to prevent Verizon DC from re-monopolizing the local telecommunications market in the District of Columbia. To that end, OPC submits the Commission must also heighten its post-271 monitoring of Verizon DC's compliance with the Performance Assurance Plan recently adopted in Formal Case No. 990 to foster development of competition in the District.

- Specifically, Verizon DC's persistent failure to fully comply with the 14-point competitive checklist and imposition of additional interconnection requirements that result in market entry barriers, requires the Commission to ensure that prior to approving Verizon DC's compliance filing these deleterious factors are eliminated in order to create a viable competitive market.

- Equally important, the Commission must ensure that Verizon DC does not lose sight of its obligations to District of Columbia local residential service customers in its quest to enter into the long-distance market. For example, adopting permanent cost-based TELRIC-compliant UNE rates; demonstrating that ExpressTrak creates user-friendly and accurate bills; ensuring continuity of local exchange service notwithstanding billing obligations for long-distance service; ~~as well as~~, providing customers financial credits when the quality of service falls short of established quality of service standards, are but a few safeguards that should be put in place.

OPC submits it is critical in the wake of a slowly emerging competitive telecommunications market that District of Columbia ratepayers, particularly residential and small business consumers, are not trampled upon in the waging business war by the corporate telecommunications giants. In this proceeding, as in others, OPC's ultimate goal is to preserve and protect residential ratepayers'

interests in the reliable, affordable, universally and equitably available service in the local exchange market. Again, District of Columbia consumers require a high level of quality of service without absorbing additional service charges.

In the six years since the passage of the federal Telecommunications Act **virtually** no competition has emerged in the residential local exchange market in the District of Columbia.¹ The truth is Verizon DC, the incumbent, continues to retain a majority of the market share in the local exchange market in the District of Columbia. Verizon DC is now asking permission to enter the long-distance market in the District. Verizon DC's entrance into this once-restricted area **will** fundamentally change the telecommunications market in the District. Thus, this Commission cannot afford to let Verizon into the District of Columbia's long distance market before the PSC ensures District of Columbia ratepayers that Verizon DC has fully demonstrated compliance with the market opening requirements of Section 271 of the Telecommunications Act, **as well as**, the public interest and structural separations requirements found in section 272 of the Act.

OPC RECOMMENDATIONS

As part of its public interest finding and in order to protect the District's ratepayers, OPC recommends the Commission should:

OPC Ex. A

- **Find** that Verizon DC retains significant market power in the local market.
- **Find** that as long as Verizon DC retains that market power, the Company has significant

¹ See. PSC website www.dcpssc.org/ci/cch/tele/CLECSprovidingsvc.pdf. Although the PSC's website indicates that 29 competitive local exchange carriers provide residential service, OPC researched the listed carriers and only 8 CLECs either currently offer or have plans to serve the residential market. More importantly, some carriers do not plan to offer ubiquitous residential service in D.C. Starpower is the only CLEC that offers a full range of service and discount plans comparable to Verizon DC.

ability and incentive to engage in anti-competitive behavior.

OPC ~~Ex.~~ B

- **Direct** Verizon DC to cease imposing anti-competitive interconnection arrangements on competitive service providers.
- **Establish** permanent, cost-based, TELRIC-compliant **UNE** rates for Verizon DC, that recognize the recent and on-going declines in costs for Verizon's underlying network.
- **Require** Verizon DC to affirmatively demonstrate that its new billing system, ExpressTrak, interfaces, with minimal error, with Verizon DC's OSS and back-end systems, **as** well as render accurate wholesale bills.
- **Require** Verizon DC to reinstate performance measures relating to billing accuracy.
- **Require** Verizon DC to submit Provisioning Performance metrics, PR-2 and **PR-3** data for six months to allow the parties to accurately assess whether Verizon DC is provisioning CLEC orders in a timely and non-discriminatory manner.
- **Require** Verizon DC to amend its construction policy and practices for the provisioning of DS1/DS3 unbundled loops and interoffice transport when facilities are not immediately available, so that it no longer discriminates against CLECs in favor of its retail customers.

To forestall this anti-competitive behavior, OPC recommends this Commission should take the following steps:

- **Prohibit** improper self-dealing by requiring that Verizon DC file with the Commission and make available for public inspection all fair market value studies. If Verizon fails **to** make

such a filing, it should not be permitted to provide the service in question. In addition, the Commission should direct the auditor, during the joint federal-state biennial Section 272 audit proceeding, to examine all of these filings, not just a random sample.

- Adopt non-solicitation rules prohibiting the transferring or movement of employees from Verizon DC to Verizon Long Distance.
- Find that, since Verizon DC has market power in the local market, it is able to artificially inflate the “Prevailing Market Price” of billing and collection services offered to competing IXCs. Thus, Verizon DC should be ordered that its price billing and collection services provided to Verizon Long Distance at the lesser of fully distributed cost or fair market value, be made available to competitors at the same price.
- Strengthen the affiliate transaction rules and direct the affiliates to operate such that the management of each entity (Verizon DC and Verizon Long Distance) each make all affiliate transaction, service offering, and pricing decision only with respect to the bottom line of each respective entity.
- Restrict Verizon DC’s use of the inbound channel for joint marketing of local and long distance.
- Restrict Verizon’s use of shared employees to sign customers up for discount long distance calling plans.

Prohibit Verizon DC from disconnecting a customer’s *local* telephone service in the event that the customer fails to pay Verizon long distance charges billed by Verizon DC, *whether or not the Verizon long distance service is provided by the Verizon Long Distance affiliate or by Verizon DC on an integrated basis.*

OPC CONCLUSION

Inexplicably, Verizon DC has failed to present adequate evidence via its 271 application to enable the PSC to reasonably conclude that a grant of authority to Verizon DC to enter the District's long distance market is in the public interest of District of Columbia consumers. Consequently, the Commission should not approve Verizon DC's **271** application unless, and until, the Company fulfill the specific recommendations set forth herein, and the general concerns expressed throughout have been addressed.

Before the

**PUBLIC SERVICE COMMISSION
OF THE DISTRICT OF COLUMBIA**

In the Matter of Verizon Washington,
D.C.. Inc.'s Compliance With the
Conditions Established in Section 271
of the Federal Telecommunications Act of
1996

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Formal Case No. 1011

Affidavit and Exhibits of
the Office of the People's Counsel
of the District of Columbia
(Public Version)
Volume 1 of 1

DR. LEE L. SELWYN

EXHIBIT' OPC (A)

**Office of the People's Counsel
of the District of Columbia
1133 Fifteenth Street, N.W.
Suite 500
Washington, D.C. 20005
(202) 727-3071**

September 30, 2002

INFORMATION ALLEGED TO BE PROPRIETARY
BY VERIZON DC HAS BEEN REDACTED FROM
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The Public Interest requirement of the Act should be interpreted broadly to include the impact on competition in both the District's local and long distance markets from a variety of sources, including violations of express requirements of the Act.	10
Verizon fails to present credible evidence of the extent of local competition in the District.	16
Measuring CLEC penetration in DC by extracting certain information from E911 databases inaccurately overstates and inflates the numbers.	17
Measuring CLEC penetration in DC by counting the number of completed collocation arrangements misrepresents the actual number of CLECs providing telecommunications services in the District.	22
Opportunities for CLEC expansion or growth have virtually disappeared, a situation recognized by RBOCs and CLECs alike.	26
 THE SECTION 272 SEPARATE AFFILIATE REQUIREMENTS	 34
Recognizing that satisfaction by a BOC of the 14 point "competitive checklist" does not by itself diminish the BOC's market power with respect to local and access services. Congress has required that following 271 approval a BOC operate its in-region long distance business out of a structurally separated affiliate, and adopted a five-part code of conduct delineating permissible interactions between the BOC and the long distance entity.	34

Verizon has failed to comply with the specific requirements of Section 272(b) with respect to activities involving the "joint marketing" of local and long distance services.	41
The value of Verizon's inbound marketing channel to "sell" its long distance service creates substantial potential for its remonopolization of the long distance market.	58
Verizon's provision of joint local and long distance billing as well as "lie-in" discounts when customers purchase combinations of local and long distance services demonstrate that VLD does not view payments it makes to the Verizon BOCs as "costs" if such payments have no material impact upon the consolidated Verizon Corporation bottom line.	63
The Section 272 affiliate is able to shift the costs of recruiting and hiring qualified employees by recruiting BOC employees with the assistance of the BOC.	69
This Commission should view Section 272 as a whole, and ensure that the ability of the structural separation safeguards to constrain the potential for anticompetitive conduct are not compromised.	70
Through press releases, Verizon DC trumpets the consumer benefits of its entry into the DC long distance market, yet fails to validate these allegations to the Commission.	78
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Verizon DC has failed to present adequate evidence via its Section 271 application for this Commission to conclude that a grant of authority to enter the in-region long distance market in the District of Columbia is in the public interest.	80
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Attachments

- Attachment **OPC A-1** Statement of Qualifications
- Attachment **OPC A-2** “Verizon Asks PSC to ~~Support~~ Company’s Request ~~To~~ Offer Long Distance in Nation’s Capital”, Verizon New Release. July 12, 2002.
- Attachment **OPC A-3** “FCC’s Powell Says Telecom ~~Crisis~~ May Allow a Bell to Buy WorldCom”, Wall Street Journal. July 15, 2002
- Attachment **OPC A-4** Verizon and SBC ~~Press Releases~~ Announcing In-Region Long Distance Market ~~Share~~

Appendix

- Appendix 1 A Critical Examination of the “Independence” of the Telecommunications Research and Action Center Studies Regarding Alleged Consumer Benefits Following BOC Entry into the Long Distance Market

Before the

**PUBLIC SERVICE COMMISSION
OF THE DISTRICT OF COLUMBIA**

In the Matter of Verizon Washington,
D.C. Inc.'s Compliance With the
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DR. LEE L. SELWYN

EXHIBIT OPC (A)

**Office of the People's Counsel
of the District of Columbia
1133 Fifteenth Street, N.W.
Suite 500
Washington, D.C. 20005
(202) 727-3071**

September 30, 2002

<p>INFORMATION ALLEGED TO BE PROPRIETARY BY VERIZON DC HAS BEEN REDACTED FROM THIS DOCUMENT</p>
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Before the

**PUBLIC SERVICE COMMISSION
OF THE DISTRICT OF COLUMBIA**

In the Matter of Verizon Washington, D.C.,)
Inc.'s Compliance With the Conditions) **Formal Case No. 1011**
Established in Section 271 of the)
Telecommunications Act of 1996)

AFFIDAVIT OF LEE L. SELWYN

1 introduction and Summary
2

Lee L. Selwyn, of lawful age, declares and **says** as follow:

4
5 1 My name is **Lee L. Selwyn**. I am President of Economics and Technology, Inc.,
6 ("ETI"), **Two** Center Plaza, Suite **400**, Boston, Massachusetts **02108**. Economics and
7 Technology, Inc. is a research and consulting **firm** specializing in telecommunications
8 economics, regulation, management and public policy. My Statement of Qualifications is
9 annexed hereto as Attachment OPC A-I and is made a part hereof.

10
11 2. My **firm** and I have a long history of involvement in proceedings of the District of
12 Columbia Public Service Commission. My only testimonial appearance before the Commission

1 was on behalf of the United States General Services Administration and District of Columbia
2 Department of Highways and Traffic in Docket No. 595 in 1974. However, ETI served as
3 Economic Agent supporting Commission decision-making in a number of Chesapeake and
4 Potomac Telephone Company of the District of Columbia and Bell Atlantic-DC proceedings
5 dating from the early 1980s. These engagements included Formal Case Nos. 798.827.828.814.
6 850.920. and 926. Most recently, ETI provided technical assistance as Economic Agent to the
7 Commission in Formal Case No. 962, dealing with the introduction of competition in the
8 District's local telecommunications market. In February 2000, ETI was engaged by the District
9 of Columbia Office of People's Counsel ("DC OPC") to prepare a study of telephone numbering
10 and number resource utilization issues in the District.

11
12 3. I have participated in numerous regulatory proceedings involving affiliate transactions
13 and relationships, industry structure, public interest issues, and the extent of competition in the
14 local telecommunications services market. I have participated in a number of state and federal
15 Section 271 proceedings, including those in Pennsylvania, New Jersey, California, Delaware,
16 New Hampshire, Virginia, Maryland and Minnesota. I have also submitted testimony in the
17 FCC's *Section 272 Sunset NPRM*, WC Docket No. 02-112. In other matters involving affiliate
18 relationships and industry structure, I also participated in written comments filed with the FCC
19 regarding both the SBC/Ameritech and Bell Atlantic/GTE merger applications. I have also
20 submitted testimony before several state commissions addressing proposals for structural
21 separation of ILEC wholesale and retail operations. I participated in proceedings before the
22 California PUC involving Pacific Bell's reorganization of its Information Services" (primarily
23 voice mail) business into a separate subsidiary, and the spin-off of Pacific Teleis Group's

1 wireless services business into a separate company. I have participated in a number of matters
2 involving the treatment of transfers of yellow pages publishing from the ILEC to a separate
3 directory publishing affiliate. These engagements were on behalf of a variety of stakeholders,
4 including commission advocacy staffs, state consumer advocacy agencies, interexchange
5 carriers, and CLECs.

6
7 Purpose of Testimony
8

9 4. ETI has been engaged by the Office of the People's Counsel of the District of Columbia
10 ("OPC") to examine the testimony proffered by Verizon Washington, DC, Inc. ("Verizon DC"
11 or "Company") in support of its Application for authority, pursuant to Section 271 of the
12 *Telecommunications Act of 1996* ("TA96" or "Act") in connection with the DC PSC's consul-
13 tative proceeding. The scope of ETI's engagement embraced public interest, Section 272
14 compliance, and Section 271(c)(2)(B) "competitive checklist" compliance issues. My affidavit
15 provides an assessment of the Company's claims as to whether "the requested authorization is
16 consistent with the public interest, convenience, and necessity," as required at Section 271(d)(3)
17 of the *Act*. This analysis includes an assessment of the current state of competition in the
18 District's local telecommunications market, an evaluation of the benefits for the Washington, DC
19 interLATA services market being claimed by Verizon DC, and an examination of the potential
20 impact upon competition in the District's interLATA long distance market that would result from
21 Verizon DC's entry into the long distance market while the Company continues to maintain
22 overwhelming dominance of the local telephone service market in the District. I have also been
23 asked to assess Verizon DC's practices with respect to the "separate affiliate" requirements at